Government of Saskatchewan

Annual Report 2005-2006

Saskatchewan
Agriculture and Food

Agricultural Implements
Board

2007-00038

Table of Contents

Letter of Transmittal 2

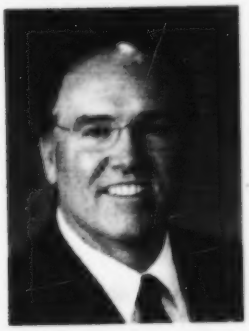
2005-2006 Annual Report 3

Financial Statements For the Year Ended March 31, 2006

- Auditor's Report
- Statement of Financial Position (Statement 1)
- Statement of Operations and Net Financial Assets (Statement 2)
- Statement of Cash Flows (Statement 3)
- Notes to the Financial Statements (Notes 1 - 5)

This annual report is also available in electronic format from the website of the Department of Agriculture and Food at **www.agr.gov.sk.ca**.

Letter of Transmittal



To Her Honour
The Honourable Lynda Haverstock
Lieutenant Governor of the Province of Saskatchewan

Madam:

I have the Honour to present the Annual Report of the Agricultural Implements Board for the fiscal year ended March 31, 2006.

Respectfully submitted,

Mark Wartman
Minister of Agriculture and Food

Agricultural Implements Board 2005 – 2006 Annual Report

The Agricultural Implements Act (the Act) provides protection to farmers who buy or own agricultural implements. The Act requires that farm equipment dealers and manufacturers maintain minimum levels of warranty, repair and parts delivery services. Farmers may apply to the Agricultural Implements Board (the Board) for compensation if they feel they have incurred a loss due to an unreasonable delay or availability of farm equipment parts.

The Agricultural Implements Board fulfills its responsibilities under the Act by conducting hearings when complaints received by producers are not resolved by other means.

The current Board consists of seven members who were appointed for a two-year term effective May 16, 2005. The members are:

- Norman Overland, Chairperson, farmer member;
- Allan Smith, Vice-Chairperson, Canada West Equipment Dealers Association, industry member;
- Doug Slough, farmer member;
- Robin Fenell, farmer member;
- Loren Katzenberger, Prairie Implement Manufacturers Association, industry member;
- Jeff Just, Association of Equipment Manufacturers of Canada, industry member; and
- Don Taylor, Saskatchewan Association of Rural Municipalities, farmer member.

Accomplishments 2005-2006:

- In 2005-06, the Act and its regulations were posted on the Saskatchewan Agriculture and Food (SAF) website at www.agr.gov.sk.ca. The Act is also posted on the Queen's Printer's Freelaw website at www.qp.gov.sk.ca.
- During 2005-06, the forms needed by producers when dealing with the Agricultural Implements Board were posted onto the SAF website and can be downloaded by producers.
- Farm implement dealers and distributors are required to renew licenses and registrations by March 31 of each year. In 2005-06, licenses were renewed for 375 agricultural implement dealers, and registrations were renewed for 97 agricultural implement distributors.
- The office of the Board dealt with more than 100 complaints from farmers and agricultural implement dealers in 2005-06. Many of the concerns involved parts and warranty issues.
- All complaints, but one, were resolved. In this case, the farmer argued that the distributor had failed to provide the level of service required under the Act. The Board conducted a formal hearing on January 10, 2006, and rendered a decision on February 15, 2006, awarding compensation of $6,899 to the farmer.

Program Statistics:

See chart on next page.

Program Statistics:

Year	99/00	00/01	01/02	02/03	03/04	04/05	05/06
Number of dealers	470	473	429	400	395	400	386
Number of distributors	114	122	119	105	106	107	99
Number of manufacturers	223	242	228	224	226	226	224
Number of hearings	0	1	1	0	0	0	1

Management's Responsibility for the Financial Statements

The accompanying financial statements of the Agricultural Implements Board have been prepared by management in accordance with generally accepted accounting principles, using management's best estimates and judgements where appropriate.

The fund's management is responsible for the reliability and integrity of these financial statements and other information in the Annual Report. Financial information in the Annual Report is consistent with that provided in these financial statements.

In discharging its responsibility for the reliability and integrity of these financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

The Provincial Auditor Saskatchewan has audited these financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on these financial statements.

Don Brooks, PAg
Agricultural Implements Board Secretary

Andrea Terry Munro, CMA
Manager, Financial Services

June 2006

AGRICULTURAL IMPLEMENTS BOARD

FINANCIAL STATEMENTS

For the Year Ended March 31, 2006

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V2

SASKATCHEWAN

Phone: (306) 787-6398
Fax: (306) 787-6383
Web site: www.auditor.sk.ca
Internet E-mail: info@auditor.sk.ca

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Agricultural Implements Board as at March 31, 2006 and the statements of operations and net financial assets, and cash flows for the year then ended. The Board's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred Wendel, CMA, CA
Provincial Auditor

Regina, Saskatchewan
April 27, 2006

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF FINANCIAL POSITION
As at March 31

	2006	2005
ASSETS		
Due from General Revenue Fund (Note 3)	$ 167,369	$ 165,740
Accrued interest receivable	1,447	978
	$ 168,816	$ 166,718
LIABILITIES AND NET FINANCIAL ASSETS		
Liabilities:		
Deferred revenue	$ 1,975	$ 2,125
Net financial assets (Statement 2)	166,841	164,593
	$ 168,816	$ 166,718

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF OPERATIONS AND NET FINANCIAL ASSETS
For the Year Ended March 31

	2006	2005
Revenue:		
Assessment levies	$ 2,500	$ 2,700
Interest income	4,765	3,570
Penalty revenue	1,900	---
	9,165	6,270
Expenses:		
Compensation payments	6,899	---
Miscellaneous expenses	18	---
	6,917	---
Surplus for the year	2,248	6,270
Net financial assets, beginning of year	164,593	158,323
Net financial assets, end of year - to Statement 1	$ 166,841	$ 164,593

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2006	2005
Cash flows from operating activities:		
Cash receipts from distributors	$ 2,350	$ 2,600
Cash receipts from penalties	1,900	---
Interest received	4,296	3,545
Compensation and miscellaneous payments	(6,917)	---
Net increase in cash position during the year	1,629	6,145
Due from General Revenue Fund, beginning of year	165,740	159,595
Due from General Revenue Fund, end of year	$ 167,369	$ 165,740

(See accompanying notes to the financial statements)

AGRICULTURAL IMPLEMENTS BOARD
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2006

1. Authority

The Agricultural Implements Board is continued under *The Agricultural Implements Act*. Under this Act, a fund known as the Agricultural Implements Compensation Fund, through which all transactions reflected in these statements are conducted, is continued:

a) to pay compensation to farmers;

b) to defray the expenses of investigating and hearing claims for compensation under this Act; and

c) to maintain a reserve fund to pay compensation that may become payable in the future.

2. Significant Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. The following accounting policy is considered significant.

a) Revenue

Assessment levies are assessed annually, any that are received in advance are recorded as deferred revenue.

3. Due from General Revenue Fund

The Agricultural Implements Board's bank account is included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan.

Earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate (2006 average rate 2.82%; 2005 average rate 2.19%) and the Agricultural Implements Board's average daily bank account balance.

4. Related Parties Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Board by virtue of common control by the Government of Saskatchewan.

Salary and administration costs other than those in respect of investigations and hearings have been absorbed by various departmental appropriations and are therefore not reflected in these financial statements.

Other transactions with related parties and amounts due to or from them are described separately in these financial statements and the notes hereto.

5. Financial Instruments

a) Accrued Interest Receivable

The carrying value of accrued interest receivable approximates fair value.

b) Due from General Revenue Fund

The amount due from the General Revenue Fund is interest bearing as described in Note 3. The carrying value approximates fair value.